



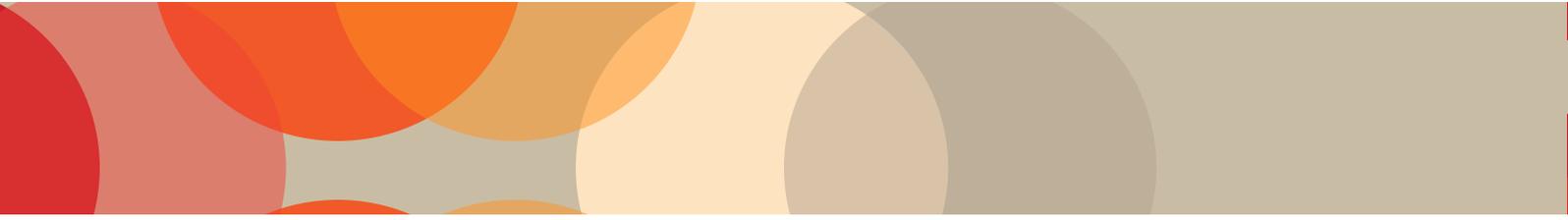
BRIDGING THE EMPLOYEE PASSION DEFICIT - ABRIDGED VERSION

Why people are passionate about their work but not their
employer – and what you can do about it

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We surveyed more than three thousand employees at a variety of organisations in Australia and the United States and found a significant passion deficit—a hidden emotional disconnect among otherwise engaged employees. We also identified the three key drivers of the most passionate employees. By focusing on these three drivers, leaders can bridge the passion deficit and ensure lower turnover, higher productivity, and better bottom-line results.

EXECUTIVE SUMMARY

ENGAGEMENT INCREASES PERFORMANCE

Much academic research in recent years has demonstrated the impact of employee engagement on organisational performance. The Gallup Organisation, which surveys engagement levels around the world, has shown that “engaged organisations have 3.9 times the earnings per share growth rate compared to organisations with lower engagement in the same industry.”

A much-cited study by Alex Edmans of Wharton Business School found that high employee engagement has a significant positive impact on the share prices of listed companies relative to companies with lesser engagement levels.

Studies are now increasingly focusing on how, rather than whether, engagement impacts performance.

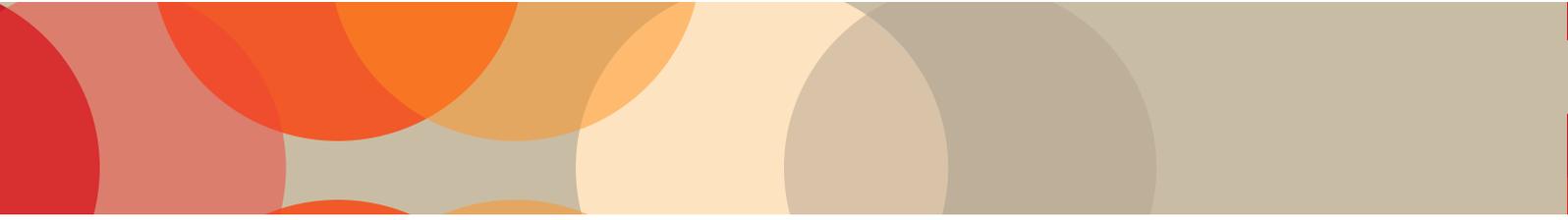
But the research to date does not distinguish between engagement and passion. An engaged employee is switched on and committed to her work. A passionate employee has all the characteristics of an engaged employee, but she also has a strong emotional connection to the organisation she works for—she is proud of her association with it and is committed to its success, not just her own.

UNDERSTANDING THE PASSION DEFICIT

We wanted to test the idea that many apparently engaged employees are in fact not passionate about their organisation. We surveyed more than 3,000 employees in Australia and the United States to measure employee passion on two levels:

1. Passion for the job: the degree to which employees are emotionally connected to their work and are committed to doing their best. In other words, their engagement level.
2. Passion for the organisation: the degree to which employees are emotionally connected to the purpose, values, and vision of the organisation and its senior leadership.

Most engagement surveys focus only on engagement with the job, not on engagement with the organisation.



Our research covered three themes. The first was employee needs and the degree to which they are satisfied by the organisation. We focused on the following five needs which have been demonstrated to ignite employee passion:

1. The need to be respected
2. The need to learn and grow
3. The need to be an insider
4. The need to do meaningful work
5. The need to be on a winning team

First, we asked employees how important these needs are; second, we asked about the degree to which these needs are being satisfied.

TRUST IS A SIGNIFICANT DRIVER OF EMPLOYEE PASSION

The second theme we covered was the trust levels within the organisation. We focused on eight key values that contribute to high trust levels:

- Respect—being valued for who you are
- Recognition—getting the recognition you deserve
- Receptivity—giving new ideas and methods a fair hearing
- Disclosure—communicating openly one’s own ideas and opinions
- Straightforwardness—being clear about what is expected of you
- Honesty—having high standards of honesty in everything we do
- Seeking Excellence—doing our best in everything we do
- Keeping Commitments—following through on our responsibilities

We asked employees how important these values are to them personally and how well their organisation operates by these values. The gap measures the level of trust employees have for their organisation and their leaders.

HOW PASSIONATE ARE EMPLOYEES?

The third theme we addressed was employees’ perceptions of their current level of passion, focusing on both their passion for the job and for the organisation. The survey asked respondents to choose which one of five descriptions best describes them. The descriptions outline the behaviour, thinking, and feeling of employees who fit the following five categories:

- Level 5: Passionate about both the job and the organisation
- Level 4: Passionate only about the job
- Level 3: Passionate only about the organisation
- Level 2: Not passionate but still conscientious
- Level 1: Disconnected from the job and from the organisation

PEOPLE ARE LESS PASSIONATE ABOUT THEIR ORGANISATION

Our findings were significant. 86% of respondents were either Level 4 or Level 5, indicating that the vast majority of employees are at the very least passionate about their job and the work they do.

However, of these employees, just under half identified themselves as passionate about their job, but not about the organisation. More precisely, in our research sample as a whole, 39% of respondents identified themselves as “passionate only about the job” compared to 47% who identified themselves as “passionate about the job and the organisation”.

Figure 1: Summary of survey findings⁶

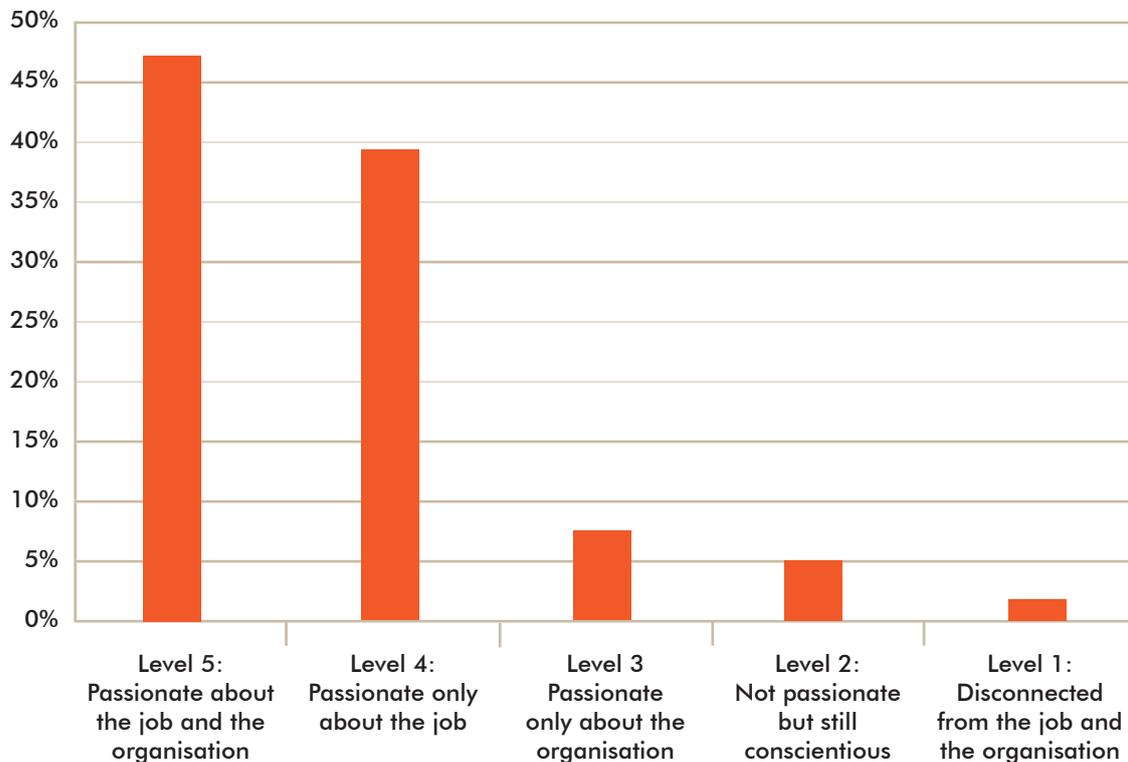


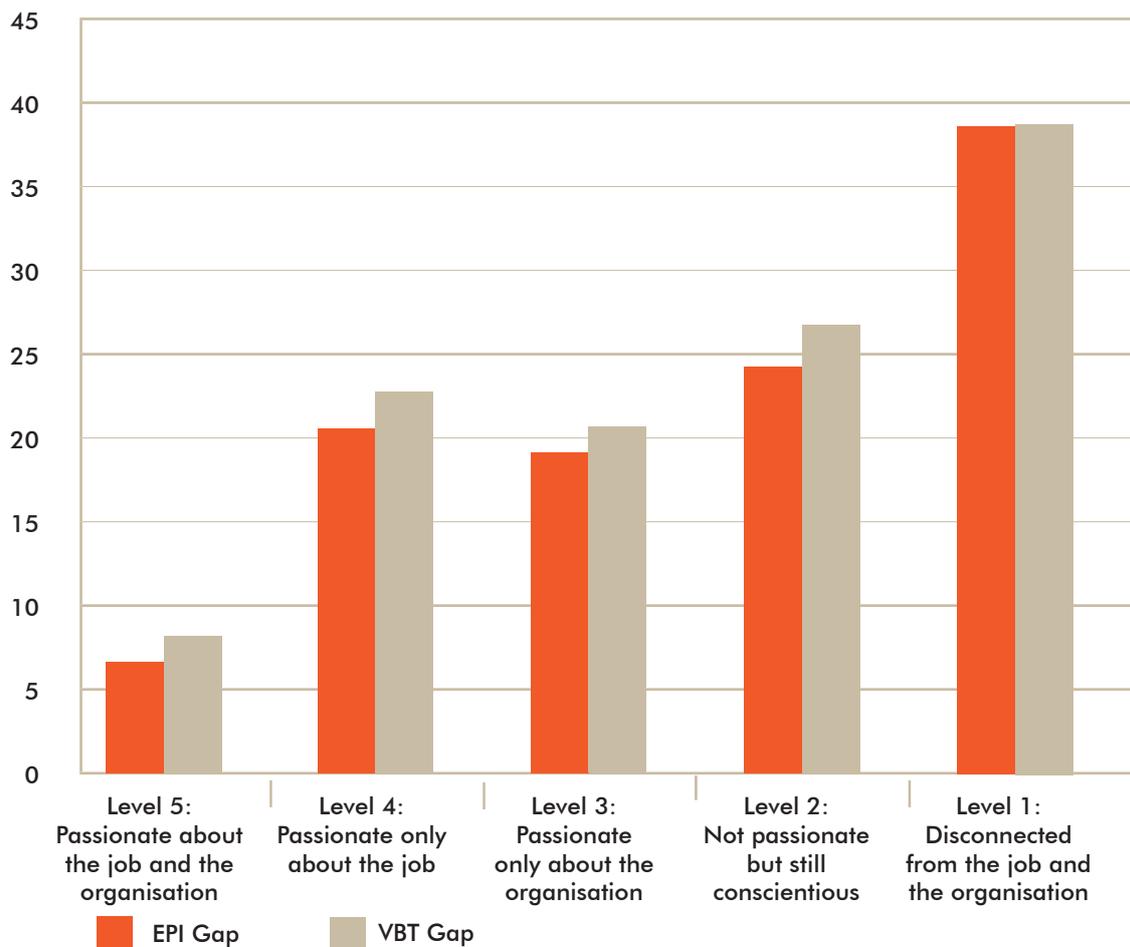
Figure 2 on the following page shows the significance of the passion deficit. The two bars represent the gap between the importance of the needs and values in the survey to employees personally and how well they believe their manager, team, or organisation satisfies them.

Notice the significant difference in the gap scores between the Level 5 and Level 4 employees. Level 5 employees perceive their organisation as almost fully meeting their needs and meeting their expectations of creating a high trust work environment - one where employees feel trusted and have a high level of trust for their managers -- essentially a perfect score.

⁶ For a copy of the full statistical report by Dr. Frank Cahill and Dr. Elizabeth Hardie, please send an email to support@integroleadership.com with the subject line “Employee Passion Statistics.”

But look now at the significant gaps on Level 4 employees. Despite the fact that these employees are passionate about their work - they get great satisfaction from knowing their work makes a difference, their trust for the organisation is very low. This underscores both the significance of the passion deficit and the scale of the task to convert Level 4s to Level 5s.

Figure 2. Gap between employee expectations and organisational performance⁷



⁷ Gaps reflect the average gap scores for each level of employee, representing the difference between the importance of the needs and values, and employees perceptions of the degree to which the needs are satisfied, or the values that build trust are operated by. For more information please send an email to support@integroleadership.com with the subject line "Employee Passion Statistics."

BRIDGING THE PASSION DEFICIT

It is clear from the findings that there is a significant gap between generally engaged employees and those who are also passionate about their organisation. The people lacking passion for the organisation are those who are not committed to the organisation, are less likely to go the extra mile, or be advocates for the organisation when dealing with customers. They may even choose to move to another organisation, one which they believe will better meet their needs. This is a clear threat to productivity, talent retention, and the bottom line. So how can you address it?

KEY DRIVERS BEHIND PASSION ADVOCATES

Given the large numbers of Level 4 employees, we took the research a step further to identify the key drivers of Level 5 versus Level 4. For the employees who identified themselves as passionate about the job but not the organisation, we wanted to know what their managers could do to make them more passionate about the organisation.

We found that the primary predictors in order of importance were:

1. We have high standards of honesty in everything we do
2. The work I do is meaningful because it helps my organisation fulfil its mission
3. My immediate manager or supervisor trusts me and treats me with respect

These findings tell us that the most passionate employees believe their organisation has high standards of honesty and integrity in everything they do, while other groups of employees feel that they do not measure up to the standards they expect.

It is also significant to note that the two remaining drivers revolve around communication. It is only through good communication from leaders that employees will see that their work helps the organisation fulfil its mission. Managers need to understand that employees need to know that their work is meaningful, and be able to demonstrate to all employees how significant their work is. Even the most mundane tasks are significant in their importance. The number three driver reflects the effort that managers put into building relationships with employees and value the contribution that each employee makes to the organisations's success.

The bottom line however is, there is no getting away from the importance of honesty. Employees at all levels see straight through attempts to cover up problems, mislead people, or even worse, try to mislead customers. And as we can see from the findings, a lack of honesty is the biggest factor in employees emotionally disconnecting from the organisation.

In summary, the findings from our research suggest that organisations focus on the following:

- Increase honesty and transparency in all dealings with employees and customers.
- Help all employees understand the purpose of their jobs and how it supports the purpose or mission of the organisation.
- Train and encourage managers and supervisors to trust their staff and to treat them with respect.

Bridging this gap can be the difference between having a team of highly capable people, but average customer service and high employee turnover, and having a team of passion advocates who excel in what they do and drive new business by offering an unbeatable customer experience. The difference is stark and the task is clear.



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